

# **EXHIBIT C**

# COUNTY OF SAN DIEGO

GREGORY J. SMITH  
ASSESSOR/RECORDER/COUNTY CLERK

## CERTIFICATE OF DEATH

STATE OF CALIFORNIA  
USE BLACK INK ONLY / NO ERASURES, WHITEOUTS OR ALTERATIONS  
VS-11(MREV 10/01)

3200837008131

DECEASED'S PERSONAL DATA		STATE FILE NUMBER		LOCAL REGISTRATION NUMBER			
1. NAME OF DECEASED — FIRST (Given) <b>DOMINGA</b>		2. MIDDLE <b>ZAPANZA</b>		3. LAST (Family) <b>HARLOW</b>			
AKA, ALSO KNOWN AS — Include full AKA (FIRST, MIDDLE, LAST)		4. DATE OF BIRTH mm/dd/yy <b>08/29/1944</b>		5. AGE Yrs. <b>63</b>			
6. SEX <b>F</b>		7. IF UNDER ONE YEAR Months Days Hours Minutes		8. IF UNDER 24 HOURS Hours Minutes			
9. BIRTH STATE/FOREIGN COUNTRY <b>PI</b>		10. SOCIAL SECURITY NUMBER <b>569-33-0832</b>		11. EVER IN U.S. ARMED FORCES? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> UNK		12. MARITAL STATUS (At time of Death) <b>WIDOWED</b>	
13. EDUCATION — Highest Level/Degree <b>HS GRADUATE</b>		14. WAS DECEASED HISPANIC/LATINO(A)SPANISH? (If yes, see worksheet on back) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		15. DECEASED'S RACE — Up to 3 races may be listed (see worksheet on back) <b>FILIPINO</b>		16. DECEASED'S RACE — Up to 3 races may be listed (see worksheet on back)	
17. USUAL OCCUPATION — Type of work for most of life. DO NOT USE RETIRED <b>HOUSEKEEPER</b>		18. KIND OF BUSINESS OR INDUSTRY (e.g., grocery store, road construction, employment agency, etc.) <b>FEDERAL GOVERNMENT</b>		19. YEARS IN OCCUPATION <b>25</b>			
20. DECEASED'S RESIDENCE (Street and number or location) <b>2025 GROVE ST.</b>		21. CITY <b>NATIONAL CITY</b>		22. COUNTY/PROVINCE <b>SAN DIEGO</b>		23. ZIP CODE <b>91950</b>	
						24. YEARS IN COUNTY <b>38</b>	
25. STATE/FOREIGN COUNTRY <b>CA</b>							
26. INFORMANT'S NAME, RELATIONSHIP <b>ROBERT HARLOW, SON</b>		27. INFORMANT'S MAILING ADDRESS (Street and number or rural route number, city or town, state, ZIP) <b>2025 GROVE ST., NATIONAL CITY, CA 91950</b>					
28. NAME OF SURVIVING SPOUSE — FIRST —		29. MIDDLE —		30. LAST (Maiden Name) —		34. BIRTH STATE <b>PI</b>	
31. NAME OF FATHER — FIRST <b>MAXIMO</b>		32. MIDDLE —		33. LAST <b>ZAPANZA</b>		35. NAME OF MOTHER — FIRST <b>ELENA</b>	
						36. MIDDLE —	
						37. LAST (Maiden) <b>AMIDO</b>	
38. DISPOSITION DATE mm/dd/yy <b>05/23/2008</b>		40. PLACE OF FINAL DISPOSITION <b>EL CAMINO MEMORIAL PARK 5600 CARROLL CANYON RD., SAN DIEGO, CA 92121</b>		42. SIGNATURE OF EMBALMER <b>► SHANNAN LOZEAU</b>		43. LICENSE NUMBER <b>8878</b>	
41. TYPE OF DISPOSITION(S) <b>BU</b>		44. NAME OF FUNERAL ESTABLISHMENT <b>EL CAMINO MEMORIAL-N.C.</b>		45. LICENSE NUMBER <b>FD-284</b>		46. SIGNATURE OF LOCAL REGISTRAR <b>► WILMA WOOTEN, MD</b>	
47. DATE, mm/dd/yy <b>05/21/2008</b>							
48. PLACE OF DEATH <b>NAVAL MEDICAL CENTER</b>		50. IF HOSPITAL, SPECIFY ONE <input checked="" type="checkbox"/> IP <input type="checkbox"/> ER/OP <input type="checkbox"/> DOA <input type="checkbox"/> Hospice		51. IF OTHER THAN HOSPITAL, SPECIFY ONE <input type="checkbox"/> Nursing Home/LTC <input type="checkbox"/> Decedent's Home <input type="checkbox"/> Other		52. CITY <b>SAN DIEGO</b>	
53. COUNTY <b>SAN DIEGO</b>		54. FACILITY ADDRESS OR LOCATION WHERE FOUND (Street and number or location) <b>34800 BOB WILSON DRIVE</b>		55. TIME INTERVAL BETWEEN ONSET AND DEATH <b>(AT) YRS</b>		56. DEATH REPORTED TO CORONER <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> REFERRAL NUMBER	
57. CAUSE OF DEATH Enter the chain of events — diseases, injuries, or complications — that directly caused death. DO NOT enter terminal events such as cardiac arrest, respiratory arrest, or ventricular fibrillation without showing the etiology. DO NOT ABBREVIATE. <b>IMMEDIATE CAUSE (A) METASTATIC LUNG CANCER (Final disease or condition resulting in death)</b> <b>SECONDARY (B) DIABETES MELLITUS, HISTORY OF MYCOBACTERIUM AVIUM COMPLEX, IMMUNOGLOBIN NEPHROPATHY</b> <b>UNDERLYING CAUSE (C) DIABETES MELLITUS, HISTORY OF MYCOBACTERIUM AVIUM COMPLEX, IMMUNOGLOBIN NEPHROPATHY</b> <b>INJURY THAT IMMEDIATELY PRECEDED DEATH (D)</b>		58. BIOPSY PERFORMED? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		59. AUTOPSY PERFORMED? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		60. USED IN DETERMINING CAUSE? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
61. OTHER SIGNIFICANT CONDITIONS CONTRIBUTING TO DEATH BUT NOT RESULTING IN THE UNDERLYING CAUSE GIVEN IN 107 <b>DIABETES MELLITUS, HISTORY OF MYCOBACTERIUM AVIUM COMPLEX, IMMUNOGLOBIN NEPHROPATHY</b>		62. DEATH REPORTED TO CORONER <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> UNK		63. IF FEMALE, PREGNANT IN LAST YEAR? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> UNK		64. DATE mm/dd/yy <b>05/20/2008</b>	
65. PHYSICIAN'S CERTIFICATION 114. I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE DEATH OCCURRED AT THE HOUR, DATE, AND PLACE STATED FROM THE CAUSES STATED. Decedent Attended Since <b>07/26/2006</b> Decedent Last Seen Alive <b>05/17/2008</b>		66. SIGNATURE AND TITLE OF CERTIFIER <b>► AMY MARIE REESE M.D.</b>		67. LICENSE NUMBER <b>A88062</b>		68. DATE mm/dd/yy <b>05/20/2008</b>	
69. MANNER OF DEATH <input type="checkbox"/> Natural <input type="checkbox"/> Accident <input type="checkbox"/> Homicide <input type="checkbox"/> Suicide <input type="checkbox"/> Pending Investigation <input type="checkbox"/> Could not be determined		70. INJURED AT WORK? <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> UNK		71. INJURY DATE mm/dd/yy <b>*012008000821072*</b>		72. HOUR (24 Hours)	
73. PLACE OF INJURY (e.g., home, construction site, wooded area, etc.)		74. DESCRIBE HOW INJURY OCCURRED (Events which resulted in injury)		75. LOCATION OF INJURY (Street and number, or location, and city, and ZIP)		76. SIGNATURE OF CORONER / DEPUTY CORONER <b>►</b>	
77. STATE REGISTRAR		78. DATE mm/dd/yy <b>July 29, 2008</b>		79. TYPE NAME, TITLE OF CORONER / DEPUTY CORONER <b>Gregory J. Smith Assessor/Recorder/County Clerk</b>		80. FAX AUTH. # <b>002363281*</b>	
						81. CENSUS TRACT	

This is a true and exact reproduction of the document officially registered and placed on file in the office of the San Diego County Recorder/Clerk.

July 29, 2008

Gregory J. Smith  
Assessor/Recorder/County Clerk

This copy is not valid unless prepared on an engraved border displaying date, seal and signature of the Recorder/County Clerk



\*002363281\*



# **EXHIBIT D**



# Department of Justice

FOR IMMEDIATE RELEASE  
 FRIDAY, SEPTEMBER 28, 2007  
[WWW.USDOJ.GOV](http://WWW.USDOJ.GOV)

TAX  
 (202) 514-2007  
 TDD (202) 514-1888

## **Corporations That Owned Jackson Hewitt Franchises in Three States Agree to Be Barred From Tax Return Preparation**

### ***Corporation in Fourth State Will Operate Franchise Under Restrictions***

WASHINGTON - The Justice Department announced today that it has resolved lawsuits against corporations that operated Jackson Hewitt tax preparation franchises in Atlanta, Chicago, Detroit and Raleigh-Durham, N.C.

Under stipulated injunction orders that will take effect immediately if approved by federal judges in each city, corporations that owned and operated franchises in Atlanta, Chicago and Detroit will be permanently barred from preparing federal income tax returns. Those corporations are selling their Jackson Hewitt franchise rights to new owners. A corporation that owns a franchise in Raleigh-Durham will continue to operate, but will be subject to restrictions and monitoring requirements contained in a permanent injunction to be entered against it.

The government also has settled with a number of the individual defendants in the cases, including Farrukh Sohail, who owns all or part of each of the corporations holding the Jackson Hewitt franchises. Subject to court approval, Sohail will be barred by the U.S. District Court for the Northern District of Georgia from acting as an income tax preparer for five years, and will be subject to permanent restrictions thereafter. He is also selling his interest in the corporation that owns the Raleigh-Durham franchise.

Two individual defendants in the North Carolina case have agreed to the limited injunction to be entered against the franchise in that state. The government previously obtained injunctions barring two individual defendants in the Atlanta case from preparing tax returns.

Courts in the Atlanta and Chicago cases previously barred seven individual defendants formerly employed by the Jackson Hewitt franchises in those cities from preparing tax returns, finding that the seven had repeatedly engaged in misconduct. The United States is dismissing its case against some individual defendants in Chicago and Detroit. The cases against several other individual defendants in the Chicago case remains unresolved. The attached table details the settlement terms or status of all corporate and individual defendants in the four lawsuits.

The corporations to be barred operated under franchise agreements with Jackson Hewitt Tax Service Inc. of Parsippany, N.J., the second largest tax preparation firm in America. The government complaints alleged that the franchisee corporations "created and fostered a business environment in which fraudulent tax return preparation is encouraged and flourishes." The Justice Department complaints in the cases allege that Sohail-owned franchises prepared and filed over 105,000 federal income tax returns last year, making Sohail one of the largest Jackson Hewitt franchise owners.

When the government suits were filed last April, then-IRS Commissioner Mark Everson said they were the largest civil injunction enforcement efforts the IRS and Justice Department had ever taken against tax preparation firms.

More information about the government complaints is available at  
[http://www.usdoj.gov/tax/txdv07215.htm..](http://www.usdoj.gov/tax/txdv07215.htm)

"The Justice Department is committed to taking vigorous action to ensure that tax preparers comply with the law," said Richard T. Morrison, Acting Assistant Attorney General for the Justice Department's Tax Division.

"The actions announced today are in the best interest of the nation's taxpayers," said IRS Acting Commissioner Linda Stiff. "This effort helps to ensure that taxpayers receive quality assistance when they seek the services of a tax professional."

Since 2001, the Justice Department's Tax Division has obtained more than 255 injunctions against tax preparers and tax-fraud promoters. More information about the Justice Department's efforts to stop unscrupulous tax preparers and tax-scheme promoters can be found at  
[http://www.usdoj.gov/tax/taxpress2007.htm..](http://www.usdoj.gov/tax/taxpress2007.htm) Information about the Justice Department's Tax Division can be

found at <http://www.usdoj.gov/tax>.

Listed below are the defendants named in the four lawsuits and the status of the case against each:

Atlanta Case

Smart Tax of Georgia, Inc., d/b/a Jackson Hewitt Tax Service -- To be barred from preparing returns

Farrukh Sohail -- To be barred from preparing returns for five years, permanent injunction thereafter barring certain conduct

Steven Everly -- To be barred from engaging in certain conduct.

Hileah Braxton -- Judgment previously entered barring return preparation

Tamika Donaldson -- Judgment previously entered barring return preparation

Chicago Case

Smart Tax, Inc., d/b/a Jackson Hewitt Tax Service -- To be barred from preparing returns

Ask Tax, Inc., d/b/a Jackson Hewitt Tax Service -- To be barred from preparing returns

Farrukh Sohail -- Dismissed because he will be enjoined in Atlanta case

Saher Sohail -- Case dismissed

Rehan Badr -- Case is pending

Tleass Gayles -- Judgment previously entered barring return preparation

Tiffany Gee -- Case is pending

Shewana Isaac -- Case is pending

Franchesta Tyson -- Case is pending

Shyeatta Jackson -- Judgment previously entered barring return preparation

Frank Bellmon -- Case is pending Angela Stephens -- Case is pending

Yvonne Amill -- Case is pending

Jeanean Hatter -- Judgment previously entered barring return preparation

Aslean Barnes -- Judgment previously entered barring return preparation

Latrice Huston -- Judgment previously entered barring return preparation

Detroit Case

So Far, Inc., d/b/a Jackson Hewitt Tax Service -- To be barred from preparing returns

Muquit Hasnie -- To be barred from preparing returns for three years, permanent injunction thereafter barring certain conduct

Sohail Ali -- Case dismissed

Anita Alidino -- Case dismissed

Nafees Hasnie -- Case dismissed

Tracey Pawczuk -- Permanent injunction to be entered barring certain conduct

Farrukh Sohail -- Dismissed because he will be enjoined in Atlanta case

Raleigh-Durham Case

Smart Tax of North Carolina, Inc., -- Permanent injunction barring certain conduct to be entered, d/b/a

Case 3:08-cr-00918-L Document 41-4 Filed 08/11/2008 Page 6 of 36

Jackson Hewitt Tax Service with additional restrictions for three years and an independent monitor for one year

Adeel Ali -- Permanent injunction barring certain conduct to be entered

John Wizner -- Permanent injunction barring certain conduct to be entered

Farrukh Sohail -- Dismissed because he will be enjoined in Atlanta case

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07-779



# Department of Justice

FOR IMMEDIATE RELEASE  
TUESDAY, OCTOBER 16, 2007  
[WWW.USDOJ.GOV](http://WWW.USDOJ.GOV)

TAX  
(202) 514-2007  
TDD (202) 514-1888

## Federal Court Bars Ft. Lauderdale Man From Preparing Tax Returns for Others

WASHINGTON - A federal judge in Ft. Lauderdale has permanently barred Joshua Chikudo from preparing federal income tax returns for others, the Justice Department announced today. The civil injunction order was entered in a lawsuit in which the Justice Department alleged that Chikudo, who operates Quick Return Tax Services and Income Tax Services, prepares federal income tax returns claiming fraudulent fuel tax credits.

According to the government complaint in the suit, the Internal Revenue Service (IRS) identified at least 350 federal tax returns Chikudo prepared claiming a total of more than \$1 million in fraudulent fuel tax credits. Chikudo also allegedly prepared returns with bogus telephone excise tax refund claims and a number of other false claims. More information and a copy of the complaint are available at <http://www.usdoj.gov/tax/txdv07594.htm>.

The court order requires Chikudo to mail a copy of the injunction to all persons for whom he has prepared a federal tax return or form since 2004 and to provide the government with a list of his customers' names, addresses, e-mail addresses, phone numbers and Social Security numbers.

The Justice Department obtained injunctions earlier this year against tax preparers in Miami and Dallas who allegedly claimed similar fraudulent fuel tax credits. More information about these cases can be found at <http://www.usdoj.gov/tax/txdv07254.htm> and <http://10.173.2.10/tax/txdv07487.htm>.

Since 2001, the Justice Department's Tax Division has obtained more than 280 injunctions to stop the promotion of tax fraud schemes and the preparation of fraudulent returns. Information about these cases is available on the Justice Department Web site at [www.usdoj.gov/tax/taxpress2007.htm](http://www.usdoj.gov/tax/taxpress2007.htm). More information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax>.

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07-828



# Department of Justice

FOR IMMEDIATE RELEASE  
TUESDAY, SEPTEMBER 25, 2007  
[WWW.USDOJ.GOV](http://WWW.USDOJ.GOV)

TAX  
(202) 514-2007  
TDD (202) 514-1888

## Federal Court Bars North Carolinian Man From Preparing Tax Returns for Others

### *Durham Man Claimed Bogus Fuel Tax Credits for Customers*

WASHINGTON - The Justice Department announced today that a federal judge in Durham, N.C. has permanently barred Anthony Green from preparing federal income tax returns for others. The court held that Green, who operates as TAS Services, engaged in fraudulent conduct by preparing fraudulent tax returns claiming the fuel tax credit. The IRS has identified more than \$150,000 in fraudulent fuel tax credits claimed on returns TAS Services prepared.

The court found that Green's fraudulent federal tax return preparation was not limited to preparing returns with bogus fuel tax credits. The court held that he also falsely claimed head-of-household filing status, the Hope Credit, and schedule A and C deductions on customers' returns.

The court order requires Green to mail a copy of the injunction to all persons for whom he has prepared a federal tax return or form since 2004 and to provide the government with a list of his customers' names, addresses, e-mail addresses, phone numbers and Social Security numbers.

The Justice Department obtained injunctions earlier this year against tax preparers in Miami and Dallas who allegedly claimed similar fraudulent fuel tax credits. More information about these cases can be found at <http://www.usdoj.gov/tax/txdv07254.htm> and <http://10.173.2.10/tax/txdv07487.htm>.

Since 2001, the Justice Department's Tax Division has obtained more than 255 injunctions to stop the promotion of tax fraud schemes and the preparation of fraudulent returns. Information about these cases is available on the Justice Department website at <http://www.usdoj.gov/tax/taxpress2007.htm>. More information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax>.

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07-763



# Department of Justice

FOR IMMEDIATE RELEASE  
MONDAY, JULY 9, 2007  
[WWW.USDOJ.GOV](http://WWW.USDOJ.GOV)

TAX  
(202) 514-2007  
TDD (202) 514-1888

## FEDERAL COURT BARS DALLAS MAN FROM PREPARING TAX RETURNS FOR OTHERS

Related Documents:

[United States v. Farai Mushaningga, etc.](#)  
[Default Judgment of Permanent Injunction](#)

[\(PDF document\)](#)

Portable Document Format (PDF) files may be viewed with a free copy of Adobe Acrobat Reader

[Accessibility Information](#)

### *Dallas Man Claimed Bogus Fuel Tax Credits for Customers*

**WASHINGTON, D.C.** - A U.S. District Court judge has permanently barred Farai Mushaningga of Dallas from preparing federal income tax returns for others, the Justice Department announced today. Judge David C. Godbey held that Mushaningga prepared fraudulent tax returns claiming the fuel tax credit. The IRS has identified more than \$900,000 in fraudulent fuel tax credits claimed on returns Mushaningga prepared.

The court also found that Mushaningga's had falsely claimed head-of-household filing status, the Lifetime Learning Credit, the Hope Credit, earned income credits, child tax credits, and schedule A and C deductions on customers' returns. Mushaningga operates FW Hawk Services and FW Hawk Taxes in Dallas.

The Justice Department obtained an injunction in April against a Miami tax preparer in a case involving allegations of similar fraudulent fuel tax credits.  
<http://www.usdoj.gov/tax/txdv07254.htm>.

Since 2001 the Justice Department has obtained injunctions against more than 240 tax preparers and tax-fraud promoters. Information on those cases is available at <http://www.usdoj.gov/tax/taxpress2007.htm>. More information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax>.

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# Department of Justice

FOR IMMEDIATE RELEASE

THURSDAY, JULY 5, 2007

WWW.USDOJ.GOV

**JUSTICE DEPARTMENT SUES TO SHUT DOWN EAST ST. LOUIS TAX  
RETURN PREPARER**

TAX

(202) 514-2007

TDD (202) 514-1888

Related  
Documents:

[United States](#)

v.

[Mary Lee  
Powell, etc.](#)

[Complaint for  
Permanent  
Injunction](#)

(PDF  
document)

Portable  
Document  
Format (PDF)  
files may be  
viewed with a  
free copy of  
[Adobe Acrobat  
Reader](#)

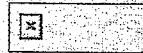
[Accessibility  
Information](#)

WASHINGTON, D.C. - The Justice Department has filed a civil injunction suit seeking to bar East St. Louis, Ill., resident Mary Powell from preparing federal tax returns for others. According to the government complaint filed in U.S. District Court in East St. Louis, Powell has prepared more than 1,000 returns since 2003.

The complaint states that the Internal Revenue Service (IRS) examined 109 returns Powell prepared and found that all of them understated the customer's tax liability. According to the complaint, the average under-reported tax was \$2,794 per return, and the estimated total cost to the U.S. Treasury from Powell's improper return preparation is \$2.9 million.

The suit alleges that Powell fabricates or inflates business expense deductions, improperly lists ineligible dependents, claims false earned income tax credits, and claims false education credits. The suit asks the court to order Powell to give the government a list with her customers' names, addresses, e-mail addresses, phone numbers and Social Security numbers.

Since 2001 the Justice Department's Tax Division has obtained more than 240 injunctions to stop the promotion of tax fraud schemes and the preparation of fraudulent returns. Information about these efforts can be found at <http://www.usdoj.gov/tax/taxpress2007.htm>. Information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax/index.html>.



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07-484



# Department of Justice

FOR IMMEDIATE RELEASE  
WEDNESDAY, AUGUST 22, 2007  
[WWW.USDOJ.GOV](http://WWW.USDOJ.GOV)

## **FEDERAL COURT BARS CALIFORNIA CPA FROM CLAIMING SO-CALLED MARINER'S TAX DEDUCTION**

*El Segundo Accountant Claimed Deductions for Meals His Clients Got for Free*

**WASHINGTON, D.C.** - A federal judge in Los Angeles has barred Martin A. Kapp, a certified public accountant from El Segundo, Calif., from preparing federal income tax returns claiming a so-called mariner's tax deduction, the Justice Department announced today. The permanent injunction was entered by U.S. District Judge George Schiavelli of the Central District of California.

The court found that Kapp prepared returns for mariners nationwide, improperly claiming deductions for the costs of meals when their employers had given them free meals. The court said Kapp "knew or should have known" the deductions were illegal.

The court ordered Kapp to give the Justice Department a list of names, addresses, e-mail addresses, and Social Security numbers of customers for whom he claimed the deductions. The judge also ordered Kapp to post a copy of the permanent injunction on his Web sites for one year. More information about this case is available at <http://www.usdoj.gov/tax/txdv06213.htm>.

Since 2001, the Justice Department has sought and obtained injunctions against more than 245 tax return preparers and tax fraud promoters. More information about these cases is available on the Justice Department Web site at <http://www.usdoj.gov/tax/taxpress2007.htm>. More information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax>.

TAX  
(202) 514-2007  
TDD (202) 514-1888

Related Documents:

**United States v. Martin A. Kapp**

**Opinion on Motion for Summary Judgment**

**Judgment and Permanent Injunction**

**(PDF documents)**

Portable Document Format (PDF) files may be viewed with a free copy of Adobe Acrobat Reader

**Accessibility Information**





# Department of Justice

FOR IMMEDIATE RELEASE  
FRIDAY, AUGUST 24, 2007  
[WWW.USDOJ.GOV](http://WWW.USDOJ.GOV)

TAX  
(202) 514-2007  
TDD (202) 514-1888

## **JUSTICE DEPARTMENT SEEKS TO BAR TOPSHAM, MAINE RESIDENT FROM PREPARING FEDERAL TAX RETURNS FOR OTHERS**

***Complaint Alleges that Tax Preparer Inflated Deductions and Credits for Customers***

WASHINGTON, D.C. - The United States has brought suit against Carol East Palesky, a Topsham, Maine resident, seeking to bar her from preparing federal tax returns for others, the Justice Department announced today. The government alleges in its complaint that Ms. Palesky, who operates a business that provides tax return preparation and other accounting services under the name East Accounting Services, prepared federal income tax returns claiming inflated deductions and credits for her customers resulting in an understatement of her customers' tax liabilities.

The complaint, filed in the U.S. District Court in Maine, alleges that Ms. Palesky's conduct interferes with the enforcement of the internal revenue laws and causes irreparable harm to the government and her customers.

Ms. Palesky is currently serving a sixteen-month sentence in the Maine Correctional Center in Windham, Maine, after pleading guilty to one count of theft by misapplication after taking funds from one of her business's customers. In addition, Ms. Palesky was convicted in 1996 on federal charges of altering dates on petitions she was collecting for a referendum relating to the local property tax cap in Maine.

**Related Documents**

***United States v. Carol East Palesky, etc. Complaint for Permanent Injunction***

**(PDF document)**

Portable Document Format (PDF) files may be viewed with a free copy of Adobe Acrobat Reader

**Accessibility Information**



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07-654



# Department of Justice

**FOR IMMEDIATE RELEASE  
THURSDAY, NOVEMBER 1, 2007  
WWW.USDOJ.GOV**

**ILLINOIS FEDERAL COURT PERMANENTLY BARS EAST ST. LOUIS WOMAN FROM PREPARING TAX RETURNS**

***Estimated Tax Losses From Tax Preparer's Misconduct Is \$2.9 million***

WASHINGTON. — A federal court has permanently barred Mary Lee Powell of East St. Louis, Ill., from preparing federal tax returns for others, the Justice Department announced today. Judge Michael J. Reagan of the U.S. District Court for the Southern District of Illinois signed the civil injunction order.

According to the court order, the Internal Revenue Service (IRS) examined 109 returns that Powell prepared and determined that all of them understated her customers' tax liabilities. The court found that the estimated total tax loss from Powell's misconduct from 2003 to 2006 was \$2.9 million. Powell encouraged and assisted her customers in applying for Refund Anticipation Loans (RALs) through HSBC Bank USA and HSBC Taxpayer Financial Services. The RALs are accelerated refunds from which Powell's preparation fees and bank finance charges are automatically deducted.

The court held that Powell prepared returns with fabricated business-expense deductions, improper education tax credits, and with deductions for improperly claimed dependents. According to the court, Powell fabricated over \$10,000 in business expenses on the tax returns of a customer who was a police officer with the St. Clair County Sheriff's department.

Powell was ordered to give the government a list of her customers' names, addresses, e-mail addresses, phone numbers and Social Security numbers and to notify her customers of the injunction. More information about the case is available at <http://www.usdoj.gov/tax/txdv07484.htm>.

Since 2001 the Justice Department's Tax Division has obtained more than 285 injunctions to stop the promotion of tax fraud schemes and the preparation of fraudulent returns. Information about these efforts can be found at <http://www.usdoj.gov/tax/taxpress2007.htm>. Information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax/index.html>.

TAX  
(202) 514-2007  
TDD (202) 514-1888

**Related Documents:**

**United States v. Mary Lee Powell, etc. Order Granting Default Judgment and Permanent Injunction Against Mary Lee Powell**

**(PDF document)**

Portable Document Format (PDF) files may be viewed with a free copy of Adobe Acrobat Reader

**Accessibility Information**





# Department of Justice

FOR IMMEDIATE RELEASE  
TUESDAY, SEPTEMBER 11, 2007  
[WWW.USDOJ.GOV](http://WWW.USDOJ.GOV)

## **JUSTICE DEPARTMENT SEEKS TO BAR DETROIT TAX PREPARER FROM PREPARING FEDERAL TAX RETURNS FOR OTHERS**

*Complaint Alleges that Tax Preparer Inflated Deductions and Credits for Customers*

WASHINGTON, D.C. - The United States has brought suit against Markita D. Darden, a Detroit, Mich., tax preparer, seeking to bar her from preparing federal tax returns for others, the Justice Department announced today. The government alleges in its complaint that Ms. Darden, who operates M & M Express Tax Service, prepared federal income tax returns claiming inflated deductions and credits for her customers resulting in an understatement of her clients' tax liabilities.

In addition, the government asserts that Ms. Darden, without the knowledge of her customers, prepared income tax returns and subsequently filed some of those returns for clients indicating a greater refund due than the one reported on the customer's copy of the tax return. Ms. Darden charged the difference in the refund amounts as a tax preparation fee through the refund anticipation loan account that she maintained, and retained those funds for herself.

The complaint, filed in the U.S. District Court in the Eastern District of Michigan, alleges that Ms. Darden's conduct interferes with the enforcement of the internal revenue laws and causes irreparable harm to the government and her customers.

Ms. Darden is currently serving a fifteen-month sentence at the Federal Prison Camp in Alderson, W. Va., after pleading guilty to one count of knowingly aiding and assisting in the preparation of false and fraudulent tax returns.

TAX  
(202) 514-2007  
TDD (202) 514-1888

[Related Documents](#)

[United States v. Markita D. Darden, etc. Complaint for Permanent Injunction](#)

[\(PDF document\)](#)

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[Accessibility Information](#)

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07-702



# Department of Justice

FOR IMMEDIATE RELEASE  
WEDNESDAY, SEPTEMBER 12, 2007  
[WWW.USDOJ.GOV](http://www.usdoj.gov)

## **FEDERAL COURT PERMANENTLY BARS HARTFORD WOMAN FROM PREPARING TAX RETURNS**

WASHINGTON, D.C. - A federal court in Hartford, Conn., has permanently barred Snezana Berbic of that city from preparing federal tax returns for others. The permanent injunction, to which Berbic consented, was entered by Chief Judge Robert N. Chatigny of the U.S. District Court for the District of Connecticut.

The government's complaint alleged that federal income tax returns prepared by Berbic claimed false filing status, false dependent exemptions, fictitious rental real estate losses, deductions for fictitious or inflated student loan interest, deductions for fictitious or inflated medical expenses, and deductions for fictitious or inflated charitable contributions. Additionally, the government alleged that Berbic claimed deductions for fictitious or inflated unreimbursed employee expenses for work clothes and mileage, fictitious or inflated education credits, and fictitious or inflated earned income credit. The complaint also alleged that an examination of just 828 of the over 5,000 tax returns prepared by Berbic revealed a tax liability understatement of \$1,268,723 for the examined returns. Examinations of returns prepared by Berbic are ongoing throughout New England and in New York.

Since 2001 the Justice Department has obtained injunctions against more than 250 tax return preparers and tax-fraud promoters. Information about these cases is available at <http://www.usdoj.gov/tax/taxpress2007.htm>. Information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax>.

TAX  
(202) 514-2007  
TDD (202) 514-1888

[Related  
Documents](#)

[\*\*United States  
v.  
Snezana  
Beric, etc.  
Complaint for  
Permanent  
Injunction\*\*](#)

[\*\*Final Judgment  
of Permanent  
Injunction  
Against  
Defendant  
Snezana Berbic\*\*](#)

[\*\*\(PDF  
documents\)\*\*](#)

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# Department of Justice

**FOR IMMEDIATE RELEASE  
THURSDAY, AUGUST 9, 2007  
WWW.USDOJ.GOV**

**JUSTICE DEPARTMENT SEEKS TO BAR FT. LAUDERDALE MAN  
FROM PREPARING TAX RETURNS FOR OTHERS**

**Tax Preparer Allegedly Claimed Bogus Telephone and Fuel Tax Credits for  
Customers**

**WASHINGTON, D.C.** - The United States has brought suit against a Ft. Lauderdale man, seeking to bar him from preparing tax returns for others, the Justice Department announced today. According to the government's complaint, Joshua Chikudo operates Quick Return Tax Services and Income Tax Services, which prepare federal income tax returns claiming fraudulent fuel tax credits.

The complaint, filed in the U.S. District Court for the Southern District of Florida, says that fraudulent fuel credits are a scam that is a serious enforcement problem for the Internal Revenue Service (IRS). Chikudo's tax preparation businesses are in Broward and Dade Counties, Fla.

The government complaint alleges that the IRS has identified at least 350 federal tax returns Chikudo prepared claiming a total of more than \$1 million in fraudulent fuel tax credits. Chikudo also allegedly prepares returns with bogus telephone excise tax refund claims and a number of other false claims.

The Justice Department obtained injunctions earlier this year against tax preparers in Miami and Dallas who allegedly claimed similar fraudulent fuel tax credits. More information about these cases can be found at <http://www.usdoj.gov/tax/txdv07254.htm> and <http://www.usdoj.gov/tax/txdv07487.htm>.

Since 2001, the Justice Department's Tax Division has obtained more than 245 injunctions to stop the promotion of tax fraud schemes and the preparation of fraudulent returns. Information about these cases is available on the Justice Department Web site at <http://www.usdoj.gov/tax/taxpress2007.htm>. More information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax>.

**TAX**  
**(202) 514-2007**  
**TDD (202) 514-1888**

**Related  
Documents:**

**United States  
v.  
Joshua  
Chikudo, etc.  
Complaint for  
Permanent  
Injunction and  
Other Relief**

**(PDF  
document)**

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# Department of Justice

**FOR IMMEDIATE RELEASE  
MONDAY, SEPTEMBER 17, 2007  
WWW.USDOJ.GOV**

**TAX  
(202) 514-2007  
TDD (202) 514-1888**

**JUSTICE DEPARTMENT ASKS U.S. COURT IN CALIFORNIA TO HALT  
ALLEGED NATIONWIDE TAX FRAUD SCHEME**

**Related  
Documents:**

**Financial Advisers Allegedly Helped Clients Understate Taxes On Sales of  
Assets Worth More Than \$1 Billion**

**United States  
v.  
Charles  
Cathcart, et al.  
Complaint for  
Permanent  
Injunction and  
Other  
Equitable  
Relief**

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document)**

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**WASHINGTON, D.C.** - The Justice Department announced today that it has asked a federal court in San Francisco to stop three firms and four men from promoting a tax scheme that the government alleges has helped more than 1,700 customers across the country improperly avoid tax on gains from sales of a total of more than \$1 billion in assets.

The four men named in the civil injunction suit, filed in the U.S. District Court for the Northern District of California, are Charles Cathcart of Santa Barbara; his son Scott Cathcart of Ross, Calif.; and Yuri Debevc and Robert Nagy, both of Charleston, S.C. The three firms named as defendants are all based in Charleston - Derivium Capital, LLC; Derivium Capital (USA) Inc.; and Veridia Solutions LLC. The complaint alleges that Derivium Capital LLC also had an office in San Francisco.

According to the government's complaint the defendants promoted a scheme that helped customers disguise sales of appreciated stock or other assets (which would result in substantial income taxes on capital gains) as purported transfers of the assets as collateral for sham loans. The defendants are alleged to have falsely advised clients that because the transactions were in the form of a loan, instead of a sale, they were not obligated to report the transactions as sales on their income tax returns. The complaint further alleges that virtually all of the purported "loan" funds paid to customers were in fact derived from the sale of the customers' appreciated assets.

The suit also alleges that some clients were unaware that their "loans" were funded by sales of their securities, and later asked defendants to return the securities. According to the complaint, this caused "massive problems" for the defendants because it "had the characteristics of a Ponzi scheme, in which the proceeds of new transactions were used to fund shortfalls in prior sham transactions." Derivium Capital LLC is in a Chapter 7 bankruptcy proceeding in South Carolina, but the suit alleges that the individual defendants are continuing to promote improper schemes.

The suit alleges one customer, an engineer from Hermosa Beach, Calif., used the defendants' scheme to dispose of more than \$700,000 worth of appreciated





# Department of Justice

**FOR IMMEDIATE RELEASE  
THURSDAY, NOVEMBER 1, 2007  
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**TAX  
(202) 514-2007  
TDD (202) 514-1888**

## **ILLINOIS FEDERAL COURT PERMANENTLY BARS EAST ST. LOUIS WOMAN FROM PREPARING TAX RETURNS**

**Related Documents**

### **United States**

v.

**Mary Lee Powell, etc.  
Order Granting Default  
Judgment and Permanent Injunction Against Mary Lee Powell**

**(PDF document)**

Portable Document Format (PDF) files may be viewed with a free copy of Adobe Acrobat Reader

### **Accessibility Information**

**WASHINGTON.** – A federal court has permanently barred Mary Lee Powell of East St. Louis, Ill., from preparing federal tax returns for others, the Justice Department announced today. Judge Michael J. Reagan of the U.S. District Court for the Southern District of Illinois signed the civil injunction order.

According to the court order, the Internal Revenue Service (IRS) examined 109 returns that Powell prepared and determined that all of them understated her customers' tax liabilities. The court found that the estimated total tax loss from Powell's misconduct from 2003 to 2006 was \$2.9 million. Powell encouraged and assisted her customers in applying for Refund Anticipation Loans (RALs) through HSBC Bank USA and HSBC Taxpayer Financial Services. The RALs are accelerated refunds from which Powell's preparation fees and bank finance charges are automatically deducted.

The court held that Powell prepared returns with fabricated business-expense deductions, improper education tax credits, and with deductions for improperly claimed dependents. According to the court, Powell fabricated over \$10,000 in business expenses on the tax returns of a customer who was a police officer with the St. Clair County Sheriff's department.

Powell was ordered to give the government a list of her customers' names, addresses, e-mail addresses, phone numbers and Social Security numbers and to notify her customers of the injunction. More information about the case is available at <http://www.usdoj.gov/tax/txdv07484.htm>.

Since 2001 the Justice Department's Tax Division has obtained more than 285 injunctions to stop the promotion of tax fraud schemes and the preparation of fraudulent returns. Information about these efforts can be found at <http://www.usdoj.gov/tax/taxpress2007.htm>. Information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax/index.html>.





# Department of Justice

**FOR IMMEDIATE RELEASE  
MONDAY, MAY 14, 2007  
WWW.USDOJ.GOV**

## FEDERAL COURT IN CHICAGO SHUTS DOWN TAX PREP FIRM

### Seneca, Ill., Couple's Firm Found to Have Profited by Defrauding IRS

**WASHINGTON, D.C.** - A federal court in Chicago has barred Neal and Royanne Reddy and their corporation, Royanne & Company Inc., from preparing tax returns for others, the Justice Department announced today. The court found that the Reddys, whose business offices are in Marseilles and Princeton, Ill., prepared more than 15,000 tax returns between 2002 and 2005.

In the preliminary injunction order entered in the civil case following a one-day trial, Judge Virginia M. Kendall of the U.S. District Court for the Northern District of Illinois noted that Royanne Reddy directed her firm's employees to fabricate or inflate deductions to generate larger tax refunds for customers. Evidence at the trial, based on 72 tax returns prepared by Royanne & Company that the IRS audited, showed a 100 percent error rate, which the court found "appalling" and not "the product of loose controls or inadequate supervision," but "the product of design."

The court noted that the IRS estimated that the Reddys caused tax revenue losses totaling \$13 million. In denying the Reddys' request to stay the injunction pending an appeal, the court said they "have no right to continue to profit by defrauding" the U.S. Treasury.

The court order requires the Reddys to notify their customers of the court's findings and post the court's findings at their businesses and on their Web site. They must also file by June 8 with the court a list identifying their customers. The order will remain in effect indefinitely, until further order of the court.

Since 2001 the Justice Department has obtained injunctions against more than 240 tax preparers and tax-fraud promoters. Information on those cases is available at <http://www.usdoj.gov/tax/taxpress2007.htm>. More information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax>

**TAX**  
**(202) 514-2007**  
**TDD (202) 514-1888**

### **Related Documents:**

**United States v.  
Neal A. Reddy,  
et al.**  
**Memorandum  
Opinion and  
Order**

**Order Denying  
Oral Motion to  
Stay**

**(PDF  
documents)**

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07-351



# Department of Justice

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FRIDAY, MAY 4, 2007  
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TAX  
(202) 514-2007  
TDD (202) 514-1888

## FEDERAL COURT BARS ILLINOIS WOMAN FROM PREPARING TAX RETURNS FOR OTHERS

Related Documents:

### Chicago Tax Preparer Caused Losses of \$3 Million to the U.S. Treasury

WASHINGTON, D.C. - A federal court in Chicago, Ill., has permanently barred Bertha Stevenson of Chicago from preparing federal income tax returns for others, the Justice Department announced today. The court found that Stevenson, the owner of Bertha's Tax Service, prepared tax returns for customers that contained deductions for fictitious expenses. The court found that Stevenson has prepared an estimated 1,224 returns since 2004 that have caused an estimated loss to the U.S. Treasury of more than \$3 million.

The court's order requires Stevenson to give the Justice Department a list of her customers' names, addresses, e-mail addresses and Social Security numbers. More information and a copy of the complaint are available at <http://www.usdoj.gov/tax/txdv07118.htm>.

Since 2001 the Justice Department has obtained more than 235 injunctions to stop the promotion of tax fraud schemes and the preparation of fraudulent returns. More information about these cases is available on the Justice Department Web site at <http://www.usdoj.gov/tax/taxpress2007.htm>. More information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax/index.html>.

United States  
v.  
Bertha L.  
Stevenson, etc.  
Order for  
Default  
Judgment and  
Permanent  
Injunction

(PDF document)

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Accessibility Information



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07-327



# Department of Justice

FOR IMMEDIATE RELEASE  
WEDNESDAY, APRIL 25, 2007  
[WWW.USDOJ.GOV](http://WWW.USDOJ.GOV)

TAX  
(202) 514-2007  
TDD (202) 514-1888

## U.S. ASKS FEDERAL COURT TO BAR DALLAS MAN FROM PREPARING TAX RETURNS FOR OTHERS

### Man Allegedly Claimed Bogus Fuel Tax Credits for Customers

**WASHINGTON, D.C.** - The United States has sued a Dallas, Texas, man, seeking to bar him from preparing federal income tax returns for others, the Justice Department announced today. According to the government's civil injunction complaint, Farai Mushaningga, who operates FW Hawk Services and FW Hawk Taxes in Dallas, prepared federal income tax returns claiming fraudulent fuel tax credits, a scam that the complaint says is a serious enforcement problem for the Internal Revenue Service (IRS).

The government's complaint alleges that Mushaningga fraudulently prepared a return for one customer, a cashier, claiming that she bought 19,050 gallons of gasoline for business-related purposes. The suit notes that for such a claim to be accurate, the cashier (whose total income for the year was \$392) would have had to spend approximately \$41,910 for gasoline that year—nearly 110 times her total income—and would have to have driven approximately 381,000 miles during the year, an average of 1,084 miles each day, seven days a week.

The government complaint alleges that Mushaningga has prepared at least 1,207 returns since 2006 and the IRS has identified over \$900,000 dollars in fraudulent fuel tax credits on Mushaningga-prepared returns.

The Justice Department obtained an injunction last week against a Miami tax preparer in a case involving allegations of similar fraudulent fuel tax credits.  
<http://www.usdoj.gov/tax/txdv07254.htm>.

Since 2001, the Justice Department's Tax Division has obtained more than 235 injunctions to stop the promotion of tax fraud schemes and the preparation of fraudulent returns. Information about these cases is available on the Justice Department Web site at <http://www.usdoj.gov/tax/taxpress2007.htm>. More information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax>.



Related Documents:

**United States v. Farai Mushaningga, etc. Complaint for Permanent Injunction and Other Relief**

(PDF document)

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**Accessibility Information**

07-291

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# Department of Justice

**FOR IMMEDIATE RELEASE  
THURSDAY, APRIL 12, 2007  
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**CALIFORNIA CPA TEMPORARILY BARRED FROM GIVING LEGAL ADVICE AND PROMOTING ILLEGAL CONDUCT**

**TAX**  
**(202) 514-2007**  
**TDD (202) 514-1888**

## **Related Documents:**

### ***United States***

**v.**  
**Lowell Baisden**  
**Findings of Fact**  
**and**  
**Conclusions of**  
**Law After**  
**Hearing on**  
**Motion for**

## Preliminary Triunction

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## **Accessibility Information**

**WASHINGTON, D.C.** - The U.S. District Court for the Eastern District of California has issued a preliminary injunction against Lowell Baisden, a Bakersfield, Calif., Certified Public Accountant, the Justice Department announced today. The injunction prevents him from promoting his tax scheme and was issued after a two-day evidentiary hearing in Fresno, Calif.

The court issued the injunction after it found that Baisden had promoted a plan which encourages and assists customers to create corporations into which they allegedly had their incomes deposited for the primary purpose of decreasing their tax liability.

Several of Baisden's customers are physicians and nurse anesthetists from North Platte, Neb., many of whom have not filed past-due tax returns. According to Baisden's plan, the customers created real estate and forestry corporations, but almost all of the income reported by the corporations was derived from the customers' income from their jobs in the medical profession. Baisden reported deductions for the corporations for customers' lawn care expenses, expenses related to their personal residences, car expenses, and for one customer, the purchase cost and storage fees for an airplane. Baisden also prepared tax returns in California which characterized wages as rent, which is not subject to self-employment or employment taxes.

The court found that Baisden prepared tax returns that identified customers as investors when they were actually physicians or nurses and claimed business deductions for non-deductible personal expenses of customers or for which he and his customers did not provide supporting documentation. The tax returns he prepared also failed to report a reasonable compensation to owners of such corporations and otherwise mischaracterized their income. Finally, the court found that Baisden engaged in misconduct related to his representation of customers by falsely advising them not to comply with IRS document and meeting requests, filing meritless requests to delay civil audits, advising clients to make insufficient estimated tax payments, and advising customers not to file lawfully due returns. More information about this case is available at <http://www.usdoj.gov/tax/txdy06670.htm>.

Since 2001, the Justice Department has obtained injunctions against more than 230 tax preparers and tax-fraud promoters. More information about these cases is available on the Justice Department Web site at <http://www.usdoj.gov/tax/taxpress2007.htm>. More information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax>.



# Department of Justice

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MONDAY, MARCH 12, 2007  
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TAX

(202) 514-2007

TDD (202) 514-1888

## FEDERAL COURT BARS ST. LOUIS WOMAN FROM PREPARING TAX RETURNS FOR OTHERS

Related Documents:

### School Bus Driver Prepared Bogus Tax Returns on the Side

**WASHINGTON, D.C.** - A federal court in St. Louis has permanently barred Yolanda White of St. Louis from preparing federal income tax returns for others, the Justice Department announced today. Senior Judge Stephen N. Limbaugh of the U.S. District Court for the Eastern District of Missouri issued the permanent injunction order against White, who, according to papers filed in the case, works as a St. Louis school bus driver.

The court held that White repeatedly engaged in fraudulent conduct by claiming fabricated or grossly overstated deductions on customers' federal income tax returns. Government papers filed in the case state that many of White's customers are Bosnian immigrants who speak little or no English. The court held that the estimated harm from White's misconduct for tax years 2003 through 2005 exceeded \$1 million.

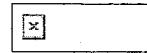
The Justice Department has previously obtained injunctions against two other return preparers who prepared returns for Bosnian immigrants. Details are available at <http://www.usdoj.gov/tax/txdv06111.htm> and <http://www.usdoj.gov/tax/txdv06021.htm>.

In addition to permanently barring White from preparing federal income tax returns, the court order requires her to provide the government a list of her customers' names, mailing and e-mail addresses, and telephone and Social Security numbers. More information about this case and a copy of the government complaint are available at <http://www.usdoj.gov/tax/txdv07066.htm>.

Since 2001, the Justice Department has obtained injunctions against more than 225 tax preparers and tax-fraud promoters. More information about these cases is available on the Justice Department Web site at <http://www.usdoj.gov/tax/taxpress2007.htm>. More information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax>.

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07-142



# Department of Justice

FOR IMMEDIATE RELEASE  
FRIDAY, MARCH 30, 2007  
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TAX  
(202) 514-2007  
TDD (202) 514-1888

## JUSTICE DEPARTMENT FILES SUIT SEEKING TO BAR NORTH CAROLINIAN FROM PREPARING TAX RETURNS FOR OTHERS

Related Documents:

United States v. Raymond A. Renfrow, etc. Complaint for Permanent Injunction and Other Equitable Relief

(PDF document)

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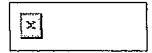
Accessibility Information

**WASHINGTON, D.C.** - The United States has filed a suit in federal court in Raleigh seeking to bar Raymond A. Renfrow of Elm City, N.C., from preparing federal income tax returns for others, the Justice Department announced today. The suit, filed in the U.S. District Court for the Eastern District of North Carolina, alleges that Renfrow prepared tax returns for customers that contained fictitious or inflated deductions. The suit alleges that Renfrow has prepared an estimated 993 returns since 2001 that have caused an estimated loss to the U.S. Treasury of more than \$2.9 million.

The complaint further alleges that Renfrow prepared false and fraudulent federal trust returns based on a tax fraud scheme promoted by Trust Education Services and National Trust Services. Information on other court cases related to those schemes is available at: <http://www.usdoj.gov/tax/txdv04081.htm> and <http://www.usdoj.gov/tax/prtax/txdv03332.htm>. Misuse of trusts is included in the IRS's 2007 list of the Dirty Dozen tax scams.  
<http://www.irs.gov/newsroom/article/0,,id=167983,00.html>

The lawsuit asks the court to order Renfrow to provide a list to the Justice Department of his customers' names, addresses, e-mail addresses, and Social Security numbers. Since 2001 the Justice Department has obtained more than 230 injunctions to stop the promotion of tax fraud schemes and the preparation of fraudulent returns.

More information about these cases is available on the Justice Department Web site at: <http://www.usdoj.gov/tax/taxpress2007.htm>. Additional information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax/index.html>.



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07-205



# Department of Justice

FOR IMMEDIATE RELEASE  
TUESDAY, JANUARY 23, 2007  
[WWW.USDOJ.GOV](http://WWW.USDOJ.GOV)

TAX  
(202) 514-2007  
TDD (202) 514-1888

## COURT BARS BUFFALO AREA MEN AND BUSINESS FROM PREPARING INCOME TAX RETURNS

Related  
Documents:

[United States v.  
Brian Duffek, et  
al.](#)

[Judgment in a  
Civil Case](#)

[Stipulated Final  
Judgment of  
Permanent  
Injunction  
Against  
Defendant Brian  
Duffek](#)

[Stipulated Final  
Judgment of  
Permanent  
Injunction  
Against  
Defendant  
Patrick O'Connor](#)

[Stipulated Final  
Judgment of  
Permanent  
Injunction  
Against  
Defendant  
Duffek, O'Connor  
& Associates,  
Inc.](#)

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07-035



# Department of Justice

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TAX  
(202) 514-2007  
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## LAS VEGAS COURT BLOCKS TAX PREPARER'S ALLEGED SCHEME ESTIMATED TO HAVE COST TREASURY \$31 MILLION

Related  
Documents:

United States  
v.  
Reinhold V.  
Sommerstedt,  
Daniel J. Young,  
Stephen R.  
Nestor, and  
Lynn A. Lakers,

Stipulated  
Order of  
Permanent  
Injunction as  
to Defendant  
Daniel J. Young

Order of  
Permanent  
Injunction as  
to Defendant  
Lynn A. Lakers

Stipulated  
Order of  
Permanent  
Injunction as  
to Defendant  
Stephen R.  
Nestor

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**WASHINGTON, D.C.** - Lynn Lakers, a Boulder City, Nev., tax-return preparer, has been permanently barred in connection with an alleged offshore-trust tax scam, the Justice Department announced today. It is alleged that Lakers, participating with three others, prepared false tax returns for phony trusts sold by her fellow defendants. She consented to the injunction order. According to the complaint, the Internal Revenue Service (IRS) estimates that this tax fraud scheme resulted in at least \$31 million in lost revenue to the federal Treasury.

The other two defendants who consented to a permanent injunction earlier this year are Daniel Young of Las Vegas, who allegedly created phony domestic and foreign trusts to move customers' assets from the United States to offshore banks located in the West Indies, and Stephen Nestor of Boise, Idaho, a former IRS revenue officer who allegedly signed false tax returns on behalf of customers' bogus trusts. The case remains pending against a fourth defendant, Reinhold Sommerstedt. More information about this case is available at <http://www.usdoj.gov/tax/txdv06122.htm>.

Judge Brian E. Sandoval of the U.S. District Court for the District of Nevada entered injunctions against Nestor and Young in May 2006 and against Lakers on Nov. 20th. The injunctions prevent the three individuals from promoting the alleged tax-fraud scheme or preparing tax returns based on it. They must also give the government a list of their customers' names, addresses, e-mail addresses, telephone numbers, and Social Security numbers. Nestor and Young have already complied with this portion of the injunction order.

According to the government's complaint, the scheme allegedly helped customers hide their income from the IRS in Caribbean bank accounts. The defendants' customers allegedly used phony loans and gifts to repatriate their money while concealing it from the IRS. Customers allegedly paid as much as \$14,500 to participate in the scheme.

Offshore transactions and trust misuse are two of the IRS's Dirty Dozen tax scams for 2006, which are listed at <http://www.irs.gov/newsroom/article/0,,id=154293,00.html>.

Since 2001 the Justice Department has obtained injunctions against more than 200 tax-fraud promoters and tax-return preparers. More information about these efforts can be found at <http://www.usdoj.gov/tax/taxpress2006.htm>. Information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/index.html>.



# Department of Justice

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WEDNESDAY, JUNE 13, 2006  
WWW.USDOJ.GOV**

**TAX  
(202) 514-2007  
TDD (202) 514-1888**

**COURT BARS SOUTHERN CALIFORNIA MEN FROM PROMOTING  
TAX SCHEME AND ACTING AS INCOME-TAX PREPARERS**

**Related  
Documents:**

**United States**

**v.  
Jack R. Gosney  
and  
Hal J. Clark  
Gosney  
Complaint  
Gosney  
Judgment  
Clark  
Judgment**

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**Accessibility  
Information**

**WASHINGTON, D.C.** - The Justice Department announced today that a federal court has permanently barred Jack R. Gosney of Riverside, Calif. and Hal J. Clark of Baja California, Mexico from promoting a tax scheme that involved creating phony tax deductions and acting as federal income tax return preparers. The permanent injunction, to which Gosney and Clark consented, was entered by Judge J. Spencer Letts of the U.S. District Court for the Central District of California. The government is also seeking a permanent injunction against a third defendant, Charles T. Kizer of Riverside, Calif. The case against Kizer is pending.

The government complaint in the suit alleges that the defendants, operating under the names JRG Financial Group or JRG Associates in Riverside, Calif., prepared returns for customers claiming improper deductions for personal expenses and grossly inflated business expense deductions. The complaint asserts that the defendants created fictitious partnerships and sole proprietorships in order to improperly reduce customers' reported tax liabilities. The government suit alleges that the three men prepared over 8,000 returns in the past five years for either individuals or partnerships. According to the complaint, an Internal Revenue Service audit of 120 returns signed by Gosney, Clark, or Kizer revealed that the three preparers understated their customers' tax liabilities by an average of \$16,000 per return.

The permanent injunction entered against Gosney and Clark requires that they notify their customers of the injunction and give the Justice Department the names, addresses, e-mail addresses, telephone numbers and Social Security numbers of their recent customers.

The case is part of an ongoing crackdown on fraudulent return preparers. The Justice Department has sought and obtained injunctions against more than 180 return preparers and tax-fraud promoters since 2001. More information about these cases is available at <http://www.usdoj.gov/tax/taxpress2006.htm>. Information about the Tax Division is available at <http://www.usdoj.gov/tax/index.html>.

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06-367



# Department of Justice

FOR IMMEDIATE RELEASE  
WEDNESDAY, JULY 19, 2006  
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## COURT BARS SOUTHERN CALIFORNIA MAN FROM TAX RETURN PREPARATION

Related Documents:

**United States v. Jack R. Gosney, et al. Agreed Final Judgment of Permanent Injunction Between United States and Charles T. Kizer**

(PDF document)

Portable Document Format (PDF) files may be viewed with a free copy of Adobe Acrobat Reader

**Accessibility Information**

**WASHINGTON, D.C.** - The Justice Department announced today that a federal court has permanently barred Charles T. Kizer, of Riverside, Calif., from acting as a federal income tax return preparer. The permanent injunction, to which Kizer consented, was entered by Judge J. Spencer Letts of the U.S. District Court for the Central District of California. The court previously entered injunctions in the same case against Jack R. Gosney and Hal J. Clark. Copies of the earlier orders are available at <http://www.usdoj.gov/tax/txdv06367.htm>.

The government complaint in the suit alleges that the three defendants—operating under the names JRG Financial Group or JRG Associates in Riverside—prepared returns for customers claiming improper deductions for personal expenses and grossly inflated business expense deductions. The complaint asserts that the defendants created fictitious partnerships and sole proprietorships in order to improperly reduce customers' reported tax liabilities. The government suit alleges that the three men prepared over 8,000 federal tax returns in the past five years for individuals or partnerships. According to the complaint, an IRS audit of 120 returns signed by Gosney, Clark, or Kizner revealed that the three preparers understated their customers' tax liabilities by an average of \$16,000 per return.

Under the terms of the permanent injunction, Kizer must notify his customers of the injunction and give the Justice Department the names, addresses, e-mail addresses, telephone numbers and Social Security numbers of his recent customers.

Since 2001 the Justice Department has obtained injunctions against more than 190 return preparers and tax fraud promoters. Information about these cases is available at: <http://www.usdoj.gov/tax/taxpress2006.htm>. Information on the Justice Department's Tax Division is available at: <http://www.usdoj.gov/tax/index.html>.

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06-448



# Department of Justice

FOR IMMEDIATE RELEASE  
MONDAY, MAY 2, 2005  
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**JUSTICE DEPARTMENT SUES TO HALT SAN DIEGO MAN'S  
ALLEGED TAX-FRAUD SCHEMES**

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Related  
Documents:

**San Diego Man Fraudulently Changed Individuals Citizenship to Evide Income Tax**

**United States  
v.  
Christopher M.  
Hansen  
Complaint for  
Permanent  
Injunction and  
Other Relief**

**(PDF  
documents)**

Portable  
Document  
Format (PDF)  
files may be  
viewed with a  
free copy of  
[Adobe Acrobat  
Reader](#)

**Accessibility  
Information**

**WASHINGTON, D.C.** - The Justice Department today asked a California federal court to permanently bar Christopher M. Hansen, of San Diego, from selling tax-fraud schemes. The civil injunction suit, filed in the U.S. District Court for the Southern District of California, in San Diego, alleges that Hansen markets a number of products and services to help customers illegally evade federal taxes and obstruct IRS investigations of their illegal activities. The government also seeks a court order directing Hansen to provide the government his customers' names, mailing and e-mail addresses, and telephone and Social Security numbers.

According to the complaint, Hansen helps customers prepare false tax returns and forms or tells customers not to file a return at all. Hansen allegedly tells customers that the federal income tax applies only to federal workers and that wages cannot be taxed. Courts across the country have repeatedly rejected these arguments, labeling them frivolous.

"People who sell tax scams enrich themselves at the expense of their customers and law-abiding Americans who pay taxes," said Eileen J. O'Connor, Assistant Attorney General for the Justice Department's Tax Division. "The Justice Department and the Internal Revenue Service are working vigorously to stop the promotion of tax fraud."

The suit also alleges that Hansen peddles a "Citizenship Administrative Program," which he fraudulently claims will enable customers to repudiate their U.S. citizenship in favor of "American National citizenship" and thereby remove themselves from the federal income tax system. Hansen allegedly charges \$2,000 for one person or \$2,700 for a couple for this purported service. A federal court in Colorado enjoined a similar tax scam in 2003. More information about the Colorado case is available at <http://www.usdoj.gov/tax/txdv03641.htm>.

The Justice Department has sought and obtained injunctions against a number of tax-scheme promoters. More information about these cases is available on the Justice Department website at <http://www.usdoj.gov/tax/taxpress2005.htm>. More information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax>.

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05-233



# Department of Justice

FOR IMMEDIATE RELEASE  
THURSDAY, DECEMBER 16, 2004  
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## UNITED STATES SEEKS TO SHUT DOWN CALIFORNIA FRAUDULENT TAX RETURN PREPARATION BUSINESS

TAX  
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Related  
Documents:

United States  
v.  
N.C.K.  
Services, Inc.,  
et al.  
Complaint

(PDF  
document)

Portable  
Document  
Format (PDF)  
files may be  
viewed with a  
free copy of  
Adobe Acrobat  
Reader

Accessibility  
Information

**WASHINGTON, D.C.** - The Tax Division of the Justice Department, working together with the United States Attorney's Office in Los Angeles, today asked a federal court to bar a Rialto-based company and four Southern California individuals from preparing federal income tax returns. The lawsuit, filed today in Los Angeles, alleges that NCK Services, Inc., Carla D. Berry, Karen D. Berry, and Valerie M. Dixon all of Rialto and Ivan T. Johnson, of San Bernardino, have repeatedly prepared for their customers tax returns claiming improper deductions, including false and inflated deductions for mortgage interest and business expenses.

According to the complaint, the individual defendants prepare returns for NCK, whose typical customers heard about the return preparation company through word-of-mouth from friends or relatives who used the company. The complaint alleges that since tax year 1999, NCK has prepared returns for more than 10,000 individuals, at fees ranging from \$80 to \$150 per return. NCK-prepared returns for tax year 2003 analyzed by the IRS showed an average tax loss to the government of \$2,230 per return. The complaint says that the IRS estimates the defendant's activities cost the federal treasury \$20 million.

"The Justice Department is working vigorously to stop unscrupulous return preparers, whose activities unfairly shift the tax burden to honest American taxpayers," said Eileen J. O'Connor, Assistant Attorney General for the Justice Department's Tax Division. "We are committed to using all available tools, including injunctions and, where appropriate, criminal prosecution, to stop systematic abuses of the tax system."

The complaint also seeks an order requiring defendants to provide the Justice Department the names, Social Security numbers, addresses, e-mail addresses, and telephone numbers of their customers.

The government's complaint is part of an ongoing crackdown on return preparers who are giving false advice. The government has filed numerous lawsuits seeking injunctions against return preparers who improperly prepare federal tax returns. More information about these cases is available at: <http://www.usdoj.gov/tax/taxpress2004.htm>. More information about the Tax Division is available at: <http://www.usdoj.gov/tax/index.html>.

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04-791



# Department of Justice

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## U.S. GOVERNMENT SEEKS TO PERMANENTLY BAR ALLEGED FRAUDULENT TAX RETURN OPERATION

Related Documents:

### Sarasota, Florida Business Allegedly Fabricates Deductions To Reduce Tax Liabilities Or Increase Refunds For Customers

United States v.

Richard E. Almy, etc., et al..

Complaint for Permanent Injunction

(PDF document)

Portable Document Format (PDF) files may be viewed with a free copy of Adobe Acrobat Reader

Accessibility Information

**WASHINGTON, D.C.** - The United States filed has filed suit seeking to permanently bar Richard E. Almy and his company, REA Associates, Inc., from preparing federal tax returns, the Justice Department announced today. According to the complaint, filed in the Middle District of Florida, Almy and his company prepared tax returns that claimed overstated, duplicated, and fabricated deductions on their clients' tax returns. An examination by the Internal Revenue Service of 175 tax returns prepared by Almy and his company during 2003 found that all of them required audit adjustments that increased the tax owed.

The government alleges that the defendants' scheme involved knowingly ignoring or modifying information provided by their clients on summary sheets containing their income and expenses for the applicable tax year. The government estimates in the complaint that this alleged fraudulent tax preparation scheme by Almy and his company has resulted in an understatement of their customers' federal income tax liabilities of more than \$16 million for tax years 2001 through 2003 alone.

The complaint also seeks an order requiring Almy and his company to provide the Justice Department with the names, addresses, social security or taxpayer identification numbers, as well as e-mail addresses and telephone numbers of their customers.

Since 2001, the Justice Department has obtained more than 220 injunctions to stop the promotion of tax fraud schemes and the preparation of fraudulent returns. More information about the Justice Department's Tax Division can be found at <http://www.usdoj.gov/tax>.

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07-085



# Department of Justice

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**FRIDAY, JUNE 3, 2003**  
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## **CALIFORNIA FEDERAL COURT BARS NATIONWIDE TAX SCHEME**

Related Documents:

**United States v.  
Roderick  
Prescott**

**Stipulation for  
Permanent  
Injunction  
(PDF  
document)**

**Accessibility  
Information**

WASHINGTON, D.C. - A federal court in San Diego yesterday permanently barred Roderick Prescott and his business, Trust Educational Services, from selling trust schemes falsely claiming that personal expenses incurred by customers can be paid through a trust in order to obtain tax benefits not available to individuals. Prescott agreed to the court order and is required to give the Justice Department records showing the names of customers who attended his workshops or used his "trust system."

"The Department of Justice is vigorously pursuing tax schemes based on bogus trusts," said Eileen J. O'Connor, Assistant Attorney General of the Tax Division.

Using the names National Trust Services and Trust Educational Services, Prescott allegedly conducted workshops and sold hundreds of trust documents, some for as much as \$15,500, throughout the United States. According to papers filed by the Justice Department in the case, Prescott's bogus trusts encouraged purchasers to under report their income and claim improper deductions on their tax returns, resulting in an estimated \$135 million revenue loss to the U.S. Treasury.

More information about this case can be found at:

<http://www.usdoj.gov/tax/txdv02207.htm>

# # #

03-332

# **EXHIBIT E**



# Department of Justice

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TUESDAY, FEBRUARY 26, 2008  
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## FEDERAL COURT BARS SAN DIEGO MAN FROM PREPARING TAX RETURNS

Related Documents:

[United States v. Roosevelt Kyle, et al.](#)  
[Order Granting United States' Motion for Preliminary Injunction Against Roosevelt Kyle](#)

(PDF document)

Portable Document Format (PDF) files may be viewed with a free copy of [Adobe Acrobat Reader](#)

[Accessibility Information](#)

WASHINGTON – A federal court in San Diego has barred Roosevelt Kyle from preparing tax returns for others, the Justice Department announced today. The court found that Kyle, a resident of San Diego, and his businesses prepared and filed approximately over 10,000 returns since 2000, and the estimated tax loss from the fraudulent returns exceeds \$18 million.

In the preliminary injunction order entered in the civil case, Chief Judge Irma E. Gonzalez of the U.S. District Court for the Southern District of California noted that Kyle, who has prepared income tax returns for 25 years, had been previously convicted and incarcerated in 2006 for failing to file federal income tax returns. The court found that the Internal Revenue Service examined over 200 returns prepared by Kyle or his businesses between 2002 and 2007 and all but eight of those returns understated the customer's tax liability.

Additionally, the court found that Kyle willfully, intentionally, and/or recklessly understates his customers' income tax liabilities by preparing returns that improperly contain fabricated or inflated deductions. For example, the court noted that in preparing a tax return for an undercover IRS agent that Kyle promised the undercover agent that he would use his "creative" mind to reduce the undercover agent's tax liability. According to the court's order, the return Kyle prepared for the undercover agent fabricated employee business expenses (e.g., bogus expenses for laundry and upkeep) and charitable deductions (e.g., fictitious charitable deductions to the Girl Scouts and Goodwill) to turn a tax due and owing into a tax refund.

In granting the preliminary injunction banning Kyle from any type of tax preparation activities, the court found that the "unrealistic positions Kyle took on the returns he prepared were frivolous and without a reasonable basis."

"The Tax Division and the IRS will seek to stop cold fraudsters like Kyle wherever and whenever they peddle their illicit tax return services," Nathan J.

<http://www.usdoj.gov/tax/txdv08146.htm>

7/15/2008

Hochman, Assistant Attorney General for the Justice Department's Tax Division.

Since 2001, the Justice Department's Tax Division has obtained more than 310 injunctions to stop the promotion of tax fraud schemes and the preparation of fraudulent returns. Information about these cases is available [on the Justice Department website](#), as is information about the [Justice Department's Tax Division](#).

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08-146

<http://www.usdoj.gov/tax/txdv08146.htm>

7/15/2008



# Department of Justice

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FRIDAY, NOVEMBER 16, 2007  
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## Justice Department Sues to Shut Down San Diego-area Tax Preparation Firm

### *IRS Estimates that National City Tax Preparation Firm Cost Government \$18 million*

WASHINGTON - The United States has sued the operators of a San Diego-area tax preparation firm, asking a federal court to permanently bar them from preparing tax returns for others, the Justice Department announced today. The civil injunction suit was filed in U.S. District Court in San Diego against Roosevelt Kyle and Rebecca Tyree, both of San Diego, and their businesses—Century One Resorts Ltd., COA Financial Group LLC, and Eagle Financial Services LLC.

According to the government's complaint, the defendants operate their business in National City, Calif., and have prepared more than 12,000 federal tax returns since 2000. The suit alleges that Kyle and Tyree understated their customers' tax liabilities by preparing returns with fabricated business-expense and charitable deductions. The complaint alleges that the Internal Revenue Service (IRS) estimates that the defendants' misconduct has caused losses to the U.S. Treasury totaling \$18 million.

According to the complaint, the IRS has penalized Kyle three times in the past for understating customers' tax liabilities. In 2002 a federal jury found Kyle guilty of failing to file his own 1995-1998 tax returns.

Since 2001, the Justice Department's Tax Division has obtained more than 295 injunctions to stop the promotion of tax fraud schemes and the preparation of fraudulent returns. Information about these cases is available on the Justice Department website, as is information about the Justice Department's Tax Division.

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07-928